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Official Gazette of the Republic of Srpska 112/23

LAW ON AMENDMENTS TO THE LAW ON PERSONAL INCOME TAX

Article 1

In the Law on Personal Income Tax (Official Gazette of the Republic of Srpska, No. 60/15, 5/16, 66/18, 105/19, 123/20, 49/21, 119/21 and 56/22), in Article 4, paragraph 4, after words “small entrepreneur”, comma shall be added as well as the words: “small farmer”.

Article 2

In Article 8, paragraph 4, after point 4), new point 5) shall be added to read as follows:

“5) allowances for students in practical classes that were completed with the employer, while the classes are conducted in accordance with the regulations governing secondary education, up to the amount of 50% of the minimum wage established in the Republic of Srpska”.

The current Points 5) to 17) shall be Points 6) to 18).

Article 3

In Article 25a, paragraph 1, after words: “self-employment”, comma shall be added as well as the words: “except for the small farmer's tax”.

In paragraph 5, after words: “small entrepreneur”, the following words shall be added: “and small farmer”.

Article 4

In Article 27, paragraph 1, after words: “small entrepreneur”, the following words shall be added: “and small farmer”.

## Article 5

After Article 27, new Articles 27a, 27b and 27c are added and shall read:

### “Article 27a

- (1) For the purpose of this Law, a small farmer is a natural person who meets each of the following conditions throughout a fiscal year:
  - 1) that the natural person is an agricultural holder registered only with the competent authority responsible for keeping the Register of Agricultural Holdings,
  - 2) total annual income of the small farmer derived from the performance of that activity does not exceed the amount of BAM 50,000.
- (2) A holder of the agricultural holding which meets the conditions referred to in paragraph 1 of this Article may choose to pay tax on small farmer’s income in accordance with the provisions of this Law.

### Article 27b

- (1) The small farmer's tax shall be paid annually in the absolute amount depending on the realized income from agricultural activities.
- (2) Small farmers who have generated income exclusively in the form of a registered agricultural holding during the previous year, shall pay personal income tax in relation to the income thus generated, in the following amounts:
  - 1) persons with an annual income up to BAM 12,000 shall not pay income tax,
  - 2) persons with annual income over BAM 12,000, up to maximum of BAM 25,000 shall pay income tax in the annual amount of BAM 200,
  - 3) persons with annual income over BAM 25,000, up to maximum of BAM 50,000 shall pay income tax in the annual amount of BAM 400.

### Article 27c

- (1) A taxpayer who declares to be taxed as a small farmer shall be obliged to submit a statement on the fulfillment of the conditions and the amount of income in the previous year, on the prescribed form, no later than February 28 of the current year.
- (2) The income tax referred to in Article 27b of this Law shall be determined by a decision of the Tax Administration and in accordance with the statement from paragraph 1 of this Article.
- (3) The decision from paragraph 2 of this Article shall be issued by the Tax Administration no later than April 30 of the current year for the previous year.
- (4) A small farmer shall pay tax on total annual income by June 30 of the current year for the previous year.
- (5) Holder of the agricultural holding, who does not submit a statement on the fulfillment of the conditions and the realized income, shall pay tax in accordance with the general provisions of this Law, which prescribe the taxation of income from self-employment”.

## Article 6

In Article 52, after point 7), new point 8) shall be added to read as follows:

“8) allowances for students on practical classes that have been completed with the employer above the amount from Article 8. paragraph 4, item 5) of this Law,”.

Current points 8) and 9) shall be points 9) and 10).

## Article 7

After Article 72s, new Article 72b shall be added to read as follows:

“Article 72b

After the entry into force of this Law for taxpayers who declare to be taxed as small farmers, the tax for 2023 shall be determined in accordance with the provisions of this Law”.

## Article 8

This Law shall be published in the Official Gazette of the Republic of Srpska and enter into force on 1 January 2024.

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Date: December 14, 2023

Banja Luka

PRESIDENT OF THE

NATIONAL ASSEMBLY

Dr Nenad Stevandić